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**Meeting between TransCanada and State Department personnel -- July 20, 2010****Participants:**

TransCanada: Robert Jones, Alex Pourbaix, James White

Sen. Hutchinson's office: Troy Lyons

State Department: A/S Fernandez, Matt McManus, John Schnitker

Bob Jones opened the meeting by explaining the status of TransCanada's Keystone XL project. He explained that TransCanada had contracts for 83% of the proposed capacity of the pipeline and could also use the pipeline for transportation of oil from Bakken production areas in Montana and North Dakota. He also stated that all three governors in that area supported the pipeline. Lastly, he explained that, if there were significant delays in the project, the oil producers may walk away from their agreements with TransCanada and shift the oil elsewhere, including to Japan and China. Turning down the XL pipeline project, he asserted, would not slow down development of the oil sands in Canada.

Assistant Secretary Fernandez indicated that the Department had received lots of letters on this matter and that Department personnel were spending a lot of time working on it. The participants then discussed the status of TransCanada's PHMSA application, including various design criteria for assuring pipeline safety over the aquifer in Nebraska. Jones mentioned that TransCanada was advocating a "one call" oil spill alert system from PHMSA for all states in the area. The participants also discussed the manner by which the Canadian federal and provincial governments were dealing with greenhouse gas emissions in Canada and Canadian concerns about U.S. consideration of matters occurring within Canada.

TransCanada personnel also expressed concerns about delays in the approval process. Assistant Secretary Fernandez said that it was questionable whether the Department would reach a decision on the TransCanada application this year but that Department personnel would do their best to complete work on the matter promptly. He indicated that he was pleased that TransCanada personnel were going to go to Nebraska to discuss the pipeline project in an open public meeting.

**REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer**